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NPIC/TSSG/DED-1514-69

MEMORANDUM FOR: Chief, Procurement Division, Office of Logistics
SUBJECT: Contract [redacted] for Automatic Viewgraph Maker - Termination Recommendation

1. The subject CPIF contract was initiated on 13 April 1967 for the development of two Automatic Viewgraph Makers with delivery scheduled for 14 August 1967. The initial contract cost was [redacted]. Contractual amendments were subsequently requested which reduced the quantity of deliverable items from two to one, extended the period of performance to 28 February 1969 and increased the price to [redacted]. These changes were allegedly made necessary by [redacted] incorrectly estimating the original costs and encountering unanticipated development difficulties.

2. Information received from [redacted] in November 1968 indicated that an additional overrun was being incurred; as a consequence, the Contracting Officer issued a stop work order on 16 December 1968 pending the submission by [redacted] of a cost-to-complete analysis.

3. The analysis, received by the Contracting Officer in early January 1969, indicated that a total amount of [redacted] would be required to complete the project. This figure did not include fee. There also was no guarantee that the equipment would be completed for the stated sum without additional overruns being incurred and [redacted] was not interested in any cost ceiling or fixed price arrangement.

4. NPIC cannot justify the additional expenditure for the development of a Viewgraph Maker. It is, therefore, recommended that necessary action be taken by the Office of Logistics to terminate the subject contract.

[redacted]
Chief, Technical Services Support Group,
NPIC

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